

Bryan W. Shaw, Ph.D., *Chairman*  
Buddy Garcia, *Commissioner*  
Carlos Rubinstein, *Commissioner*  
Mark R. Vickery, P.G., *Executive Director*



## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

August 19, 2010

(b) (6), (b) (7)(C)

PRESIDENT  
CES ENVIRONMENTAL SERVICES INC  
4904 GRIGGS RD  
HOUSTON TX 77021-3208

Re: Permit Application Voidance  
Permit Number: 86587  
Port Arthur Deep Water Facility  
Port Arthur, Jefferson County  
Regulated Entity Number: RN105156111  
Customer Reference Number: CN603423427

Dear (b) (6), (b) (7)(C)

Upon evaluation of the above-referenced application, we have determined that additional information is necessary to complete our review. It has come to our attention that permit by rule applications were submitted to authorize a Phenolic/Cresylic Acid Process as well as an Oil Recovery Process, both of which involve facilities/operations which are already constructed and operating. It was determined in a letter dated April 5, 2010, (attached) that the Phenolic/Cresylic Acid Process requires permitting review in accordance with Title 30 Texas Administrative Code Chapter 116 (30 TAC Chapter 116). It was determined in a letter dated August 6, 2010, (attached) that the Oil Recovery Process requires permitting review in accordance with 30 TAC Chapter 116. Neither process has been included in the current pending permit application.

In order to complete our review, the Phenolic/Cresylic Process and the Oil Recovery Process need to be included in the application for Permit Number 86587. Due to a change in scope of the project, your application is hereby voided.

To reactivate the voided application, please submit a new Form PI-1 and an entirely new application which includes all existing processes at the site along with the corresponding planned maintenance, startup, and shutdown activities and emissions. The new application will be subject to the state and federal rules and regulations in place at the time of submittal. If notice was published for the voided application and the new application also requires public notice, then notice must be republished. Additional fees need not be submitted if the project scope has not increased and the original fee was correct.

bcc: (b) (6), (b) (7)(C) Attorney, Litigation Division, TCEQ Office of Legal Services  
(b) (6), (b) (7)(C) Senior Attorney, Environmental Law Division, TCEQ Office of  
Legal Services MC-175  
(b) (6), (b) (7)(C) Technical Specialist, Rule Registrations Section, Air Permits Division  
(b) (6), (b) (7)(C) Assistant Attorney General, Attorney General of Texas, Austin,  
(b) (6), (b) (7)(C) Assistant Attorney General, Attorney General of Texas, Austin

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TEXAS COMMISSION ON ENVIRONMENTAL QUALITY  
*Protecting Texas by Reducing and Preventing Pollution*

(b) (6), (b) (7)(C)

April 5, 2010

PRESIDENT  
PORT ARTHUR CHEMICAL & ENVIRONMENTAL SERVICES LLC  
PO BOX 218  
PORT ARTHUR TX 77641-0218

Re: Permits by Rule Registration Number: 86173 (2 Registration Projects)  
Production of Naphthenic Acid and Phenolic/ Cresylic Acid  
Port Arthur, Jefferson County  
Regulated Entity Number: RN105156111  
Customer Reference Number: CN603423427

Dear (b) (6), (b) (7)

This is in response to your request to register the pending installation of the process under Title 30 Texas Administrative Code § 106.261, 106.262, and 106.472 (30 TAC § 106.261, 106.262, and 106.472) at your facility in 2420 Gulfway Dr, Port Arthur, Jefferson County. The information submitted in support of your request has been evaluated and found to show that the installation of the process requires permitting review in accordance with 30 TAC Chapter 116.

The reasons for requiring a permit or permit amendment are described below:  
As stated in 106.4 (b), no person shall circumvent the full permit process. You have submitted a permit application for facilities/operations which are already constructed and operating for which you are claiming one or more PBR registrations for those same facilities/operations.

Additionally as stated in 106.4(c), the emissions from the facility shall comply with all rules and regulations of the commission and with the intent of the TCAA, including protection of health and property of the public, and all emissions control equipment shall be maintained in good condition and operated properly during operation of the facility. The number of complaints, confirmed nuisance conditions, the unused but relied on control equipment, unregistered emissions, unregistered operations, insufficient supporting information for the emissions claimed, failure to meet certified emission representations and the failure to follow your certified operational representations does not meet 106.4(c).

There are numerous deficiencies for information related to facilities and operations. Specifics were sent to you through the permit review No. 86587 letters dated January 27 and February 3, 2010. Those same deficiencies are in PBR registrations referenced above, as applicable to the PBR facilities/operations. In addition, based upon the caustic MSDS information discovered during this review, it appears that you did not meet the certified emissions for the raw material caustic tanks in the initial PBR Registration 86173. These tanks are an integral part of the

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## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

August 6, 2010

(b) (6), (b) (7)(C)

PRESIDENT  
PORT ARTHUR CHEMICAL & ENVIRONMENTAL SERVICES LLC  
PO BOX 218  
PORT ARTHUR TX 77641-0218

Re: Permits by Rule Registration Number: 86173  
Port Arthur Chemical & Environmental Services  
Port Arthur, Jefferson County  
Regulated Entity Number: RN105156111  
Customer Reference Number: CN603423427

Dear (b) (6), (b) (7)(C)

This is in response to your request to register the pending installation of the oil recovery process under Title 30 Texas Administrative Code § 106.183, 106.261, 106.472 (30 TAC § 106.183, 106.261, 106.472) at your facility in 2420 Gulfway Dr, Port Arthur, Jefferson County. The information submitted in support of your request has been evaluated and found to show that the installation of the process requires permitting review in accordance with 30 TAC Chapter 116.

The reasons for requiring a permit or permit amendment are described below:

As stated in 106.4 (b), no person shall circumvent the full permit process. You have submitted a permit application for facilities/operations which are already constructed and operating and this process should also be in that action. Additionally as stated in 106.4(c), the emissions from the facility shall comply with all rules and regulations of the commission and with the intent of the TCAA, including protection of health and property of the public, and all emissions control equipment shall be maintained in good condition and operated properly during operation of the facility. The number of complaints, confirmed nuisance conditions, poor compliance history, the unused but relied on control equipment, unregistered emissions, unregistered operations, insufficient supporting information for the emissions claimed, failure to meet certified emission representations and the failure to follow your certified operational representations does not meet 106.4(c).

There are numerous deficiencies for information related to your facilities and operations. Based upon previous operation of this equipment at your Houston site, there is still the outstanding concern of the raw oil containing sulfur compounds. As noted in the previous registration requests for this site, there is a substantial concern that mercaptans and hydrogen sulfide are being emitted from your existing facilities and these new operations. The presence of methyl and ethyl mercaptans or hydrogen sulfide requires a minimum 500' distance to the nearest receptor from the tank under 106.472 (9). Additionally you may review the TCEQ Storage Tank Construction Under Permit By Rule Memo dated September 1, 2006 available at: [http://www.tceq.state.tx.us/assets/public/permitting/air/memos/tank\\_under\\_pbr06.pdf](http://www.tceq.state.tx.us/assets/public/permitting/air/memos/tank_under_pbr06.pdf).

(b) (6), (b) (7)(C)

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Re: Permits by Rule Registration Number

The presence of sulfur at a concentration of over 24 ppmv in the flow steam to the flare triggers a 1/4 mile distance requirement from the flare to the nearest recreational area or residence or other structure not occupied or used solely by the owner or operator. Based upon your represented distance from the flare or tanks to the nearest recreational area or residence or other structure not occupied or used solely by the owner or operator of the property, your PBR claim 86173/140921 and subsequent PBR claims including this claim which rely on the tanks and flare not containing or emitting sulfur compounds, will not meet the PBR requirements and a permit will be required.

You are reminded that the Texas Clean Air Act § 382.0518(a) and § 382.057, as codified in the Texas Health and Safety Code, requires that a construction permit be obtained or a permit by rule fully complied with before work is begun on the construction of a new facility or modification of an existing facility that may emit air contaminants.

Your cooperation in this matter is appreciated. If you need further information or have any questions, please contact (b) (6), (b) (7) P.E. at (512) 239-1238 or write to the Texas Commission on Environmental Quality, Office of Permitting and Registration, Air Permits Division, MC-163, P.O. Box 13087, Austin, Texas 78711-3087.

This action is taken under authority delegated by the Executive Director of the Texas Commission on Environmental Quality.

Sincerely,

(b) (6), (b) (7)(C)

*FDR*  
(b) (6), (b) (7), P.E., Director  
Office of Permitting & Registration  
Air Permits Division  
Texas Commission on Environmental Quality

cc: Air Section Manager, Region 10 - Beaumont